

Message Text

UNCLASSIFIED

PAGE 01 MANILA 07295 01 OF 03 281315Z

53

ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 IO-10 SP-02 AID-05 EB-07

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 3887

UNCLAS SECTION 1 OF 3 MANILA 7295/1

USADB

PASS TREASURY FOR GONZALEZ

E.O. 11652: N/A

TAGS: EAID, EFIN

SUBJ: PASSMAN HEARINGS-PART II OF III

1. THE FOLLOWING ARE RESPONSES TO QUESTIONS SUBMITTED
BY MR. PASSMAN (NOTE IN PARTICULAR THE 16TH QUESTION
BELOW, PARAGRAPH 22).

2. QUESTION 1. IN YOUR JUSTIFICATIONS YOU INDICATE THAT
YOU HAVE EARNED OVER \$24,000,000 IN 1974 IN INCOME FROM
INVESTMENTS. COULD YOU PLEASE TELL THE COMMITTEE WHAT
INVESTMENTS YOU HAVE THAT WOULD EARN THIS AMOUNT OF MONEY,
AND HOW MUCH OF THESE INVESTMENTS ARE IN THE UNITED STATES?

ANSWER: IN 1974 THE ADB HAD A NET INCOME OF \$26.4 MILLION.
IT EARNED \$32.5 MILLION FROM INVESTMENTS AND
\$26.7 MILLION FROM ITS LOAN OPERATIONS AMONG ITS ASIAN
MEMBER COUNTRIES. AGAINST THAT AMOUNT OF INCOME THE
BANK DEDUCTED ADMINISTRATIVE AND FINANCIAL EXPENSES
WHICH COLLECTIVELY RESULTED IN THE NET INCOME FIGURE
UNCLASSIFIED

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PAGE 02 MANILA 07295 01 OF 03 281315Z

MENTIONED ABOVE.

3. AS OF APRIL 30, 1975 THE BANK HAD \$592 MILLION OF SHORT-TERM INVESTMENTS HELD IN THE FORM OF EITHER TIME DEPOSITS OR SHORT-TERM GOVERNMENT GUARANTEED INSTRUMENTS. OF THAT AMOUNT, \$257 MILLION WAS HELD IN THE U.S.

4. QUESTION 2. ALSO IN YOUR JUSTIFICATIONS YOU INDICATE THAT YOU HAVE EFFECTIVE LOANS OUT OF THE ORDINARY CAPITAL ACCOUNT OF \$1.1 BILLION AND YOU HAVE AN UNDISBURSED BALANCE OF EFFECTIVE LOANS OF \$789 MILLION. COULD YOU PLEASE TELL THE COMMITTEE WHY YOU HAVE SUCH A LARGE AMOUNT OF UNDISBURSED LOANS ON HAND?

(A) WHY DON'T YOU DRAW DOWN THIS UNDISBURSED BALANCE BEFORE YOU ASK FOR REPLENISHMENT OF THE ORDINARY CAPITAL ACCOUNT?

ANSWER: AS OF DECEMBER 31, 1974 THE BANK HAD EFFECTIVE LOANS FINANCED BY ITS ORDINARY CAPITAL RESOURCES OF \$1.2 BILLION OF WHICH \$863 MILLION REPRESENTED THE UNDISBURSED BALANCE OF THOSE LOANS. THE UNDISBURSED BALANCE ITSELF IS NOT LARGE CONSIDERING THE FACT THAT MANY OF THE EFFECTIVE LOANS HAVE BECOME SO IN THE VERY RECENT PAST IN VIEW OF THE BANK'S INCREASE IN LENDING IN RECENT YEARS. AFTER A LOAN BECOMES EFFECTIVE THE BORROWER THEN PROCEEDS TO ENGAGE ENGINEERING CONSULTANTS TO CONDUCT THE ENGINEERING DESIGN WORK FOR THE PROJECT, WHICH CAN FREQUENTLY RUN FROM TWO TO THREE YEARS, AFTER WHICH CONSTRUCTION AND MAJOR DISBURSEMENTS COMMENCE. IN FACT, IN 1974 ALONE, DISBURSEMENTS FROM ORDINARY CAPITAL RESOURCES AMOUNTED TO \$160.3 MILLION WHICH BROUGHT CUMULATIVE DISBURSEMENTS TO A LEVEL OF \$399.3 MILLION. DISBURSEMENTS ARE PROJECTED TO INCREASE EVEN MORE RAPIDLY IN 1975 AND SHOULD APPROACH \$215 MILLION. IF ANYTHING, THE BANK DISBURSEMENTS ARE PROCEEDING AHEAD OF SCHEDULE INDICATING THE EFFICIENCY AND EFFECTIVE OPERATIONS OF THE BANK ITSELF.

5. THE BANK DOES NOT DRAW DOWN ITS DISBURSED BALANCES BEFORE SEEKING REPLENISHMENT OF ITS ORDINARY CAPITAL
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANILA 07295 01 OF 03 281315Z

RESOURCES SINCE IT FEELS THAT IT MUST HAVE THE RESOURCES ON HAND BEFORE IT CAN MAKE LOAN COMMITMENTS. TO OPERATE OTHERWISE, THE BANK COULD EASILY FIND ITSELF IN A POSITION OF DISBURSEING ALL OF ITS LIQUID ASSETS BEFORE A REPLENISHMENT BECOME EFFECTIVE, THEREBY FORCING THE ADB TO TERMINATE OPERATIONS ABRUPTLY UNTIL REPLENISHMENT EFFORTS COULD BE BROUGHT IN PLACE.

6. QUESTION 3. YOU INDICATE IN THE SPECIAL FUNDS ACCOUNT THAT YOU HAVE EFFECTIVE LOANS OF \$314 MILLION, AND THE UNDISBURSED BALANCE OF THESE EFFECTIVE LOANS IS \$258 MILLION. AGAIN, WHY DO YOU HAVE SUCH A LARGE AMOUNT OF UNDISBURSED LOANS ON HAND?

ANSWER: WITH RESPECT TO UNDISBURSED BALANCES OF EFFECTIVE SPECIAL FUNDS LOANS, THE LEVEL INDICATES THE FACT THAT (A) THE BANK'S LENDING OPERATIONS FROM ITS SPECIAL FUNDS RESOURCES IS INCREASING, AND (B) THERE IS A PERIOD IN WHICH THE ENGINEERING DESIGN WORK IS IMPLEMENTED PRIOR TO THE ACTUAL CONSTRUCTION AND DRAW-DOWN OF FUNDS TO FINANCE PROJECT IMPLEMENTATION. THE UNDISBURSED BALANCE IS BY NO MEANS ABNORMAL BUT RATHER REFLECTS THE TWO FACTORS MENTIONED ABOVE.

7. QUESTION 4. COULD YOU TELL THE COMMITTEE HOW LONG IT TAKES A PROJECT UNDER ADB TO RECEIVE FUNDING AFTER IT IS FIRST DETERMINED THE PROJECT SHOULD BE CONSIDERED? (PROJECTS IN THE U.S. TAKE 17 YEARS, 11 MONTHS.)

(A) DO ALL ADB PROJECTS RECEIVE FULL FUNDING WHEN THEY ARE STARTED?

ANSWER: GENERALLY, PROJECT PREPARATION FOR AN ADB-FINANCED PROJECT MAY LAST FROM ONE TO TWO YEARS. DURING THAT PERIOD, THE BANK WILL CONSIDER ALL ASPECTS OF THE PROJECT TO SATISFY ITSELF THAT IT IS, IN FACT, AN ECONOMIC AND FINANCIALLY VIABLE PROJECT OF HIGH PRIORITY WHICH WARRANTS BANK FUNDING. ONCE THESE PROCEDURES HAVE BEEN COMPLETED, THE PROJECT IS BROUGHT TO THE BANK'S BOARD OF DIRECTORS AND, IF THE BOARD SO APPROVES, THE BANK COMMITS THE FULL AMOUNT OF FUNDING

UNCLASSIFIED

PAGE 04 MANILA 07295 01 OF 03 281315Z

FOR THE PROJECT AT THAT TIME. IN EFFECT, ALL ADB PROJECTS DO INDEED RECEIVE FULL FUNDING WHEN THEY ARE APPROVED BY THE BANK'S BOARD OF DIRECTORS.

8. QUESTION 5. AS YOU KNOW, LAST YEAR THE CONGRESS APPROPRIATED \$24.1 MILLION FOR PAID-IN CAPITAL BUT DENIED THE \$96.5 MILLION IN CALLABLE CAPITAL. I NOTE IN A LETTER DATED APRIL 23, 1975 THAT THE ADMINISTRATION AGREED TO SUBSCRIBE TO ONE-THIRD OF THE U.S. SHARE IN THE ORDINARY CAPITAL STOCK REPLENISHMENT. COULD YOU PLEASE TELL THE COMMITTEE HOW YOU WERE ABLE TO AGREE TO ONE-THIRD OF THE ORDINARY CAPITAL STOCK WHEN ONLY WE PROVIDED THE PAID-IN PORTION WHICH DOESN'T AMOUNT TO ONE-THIRD OF THE U.S. ASSESSMENT?

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PAGE 01 MANILA 07295 02 OF 03 281326Z

53

ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 IO-10 SP-02 AID-05 EB-07

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 3888

UNCLAS SECTION 2 OF 3 MANILA 7295/2

(A) WOULD YOU PLAN TO REQUEST THE 96.5 MILLION DOLLARS
IN CALLABLE CAPITAL AT SOME LATER DATE?

ANSWER: WITH RESPECT TO THE PROVISIONS OF THE BANK'S
ORDINARY CAPITAL INCREASE, THE BANK REQUIRES THAT
MEMBER COUNTRIES SUBSCRIBING TO THE INCREASE PROVIDE
THE ASSESSED PAID-IN PORTION OF THAT INCREASE AS
WELL AS A GUARANTEE THAT THE COLLABLE CAPITAL SHARE OF
THAT SUBSCRIPTION WILL BE FORTHCOMING, IF SO NEEDED.
THE U.S., THEREFORE, DID PROVIDE THE \$24.1 MILLION
PAID-IN CAPITAL WHICH REPRESENTED ONE-THIRD OF ITS
ASSESSED PAID-IN SHARE AND THE SECRETARY OF THE TREASURY,
IN A LETTER TO THE PRESIDENT OF THE ASIAN DEVELOPMENT
BANK, INDICATED THAT THE CALLABLE CAPITAL SHARE WOULD
HAVE THE FULL FAITH AND CREDIT GUARANTEE OF THE U.S.
GOVERNMENT.

9. WITH RESPECT TO THE UNAPPROPRIATED \$96.5 MILLION
OF CALLABLE CAPITAL, THE ADMINISTRATION IS REQUESTING
IN THE FISCAL 1976 BUDGET THE SECOND PORTION OF BOTH
THE PAID-IN AND CALLABLE CAPITAL SHARE RATHER THAN
REQUESTING AT THIS TIME BOTH THE FIRST AND SECOND
CALLABLE CAPITAL SHARES AS WELL AS THE SECOND PAID-IN SHARE.

UNCLASSIFIED

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PAGE 02 MANILA 07295 02 OF 03 281326Z

10. QUESTION 6. IS THE \$50 MILLION SPECIAL FUND REQUEST STRICTLY A VOLUNTARY CONTRIBUTION ON THE PART OF THE UNITED STATES, AND DOES NOT INVOLVE ANY NEGOTIATIONS OR AGREEMENTS WITH OTHER NATIONS OR THE BANK?

ANSWER: THE \$50 MILLION SPECIAL FUNDS REQUEST IS NOT STRICTLY A VOLUNTARY CONTRIBUTION ON THE PART OF THE U.S. IN THAT THE U.S. DID AGREE TO SEEK THAT \$50 MILLION WITH THE UNDERSTANDING THAT THE BANK'S OTHER 16 DONOR MEMBER COUNTRIES WOULD PROVIDE FURTHER SPECIAL FUNDS TO THE ASIAN DEVELOPMENT FUND.

11. IN A MULTILATERAL NEGOTIATION THAT TOOK PLACE IN BONN, GERMANY IN OCTOBER 1973, THE OTHER DONOR MEMBER COUNTRIES OF THE BANK AGREED TO BUILD AROUND A VOLUNTARY \$100 MILLION U.S. CONTRIBUTION AND WOULD PROVIDE AMONG THEMSELVES AN ADDITIONAL \$250 MILLION IF THE U.S. WOULD IN FACT CONTRIBUTE THE \$100 MILLION WHICH IT WAS AT THAT TIME SEEKING FROM CONGRESS. IN ADDITION TO THIS ARRANGEMENT, THE U.S. INDICATED THAT IT WOULD SEEK A FURTHER \$50 MILLION WHILE THE OTHER DONOR MEMBER COUNTRIES WOULD COLLECTIVELY CONTRIBUTE AN ADDITIONAL \$125 MILLION.

12. QUESTION 7. COULD YOU TELL THE COMMITTEE WHAT PERCENTAGE OF THE TOTAL LOANS MADE BY THE BANK HAVE BEEN ALLOCATED TO AGRICULTURE, EDUCATION, INDUSTRY, TRANSPORTATION, AND URBAN DEVELOPMENT?

ANSWER: IN TERMS OF DOLLAR VOLUME, 27.5 PERCENT OF ALL BANK LOANS HAVE BEEN IN THE INDUSTRY AND DEVELOPMENT BANKING SECTOR, 23 PERCENT IN ELECTRIC POWER, 21.3 PERCENT IN TRANSPORTATION AND COMMUNICATIONS, 15.9 PERCENT IN AGRICULTURE, 11.6 PERCENT IN WATER SUPPLY AND 0.7 PERCENT IN EDUCATION. IN TERMS OF NUMBERS OF PROJECTS, 26 PERCENT OF ALL BANK LENDING HAS BEEN IN THE FIELD OF AGRICULTURE, 23 PERCENT IN TRANSPORTATION AND COMMUNICATIONS, 20 PERCENT IN ELECTRIC POWER, 20 PERCENT IN INDUSTRY AND DEVELOPMENT BANKING, 10 PERCENT IN WATER SUPPLY AND 1 PERCENT IN EDUCATION.

UNCLASSIFIED

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PAGE 03 MANILA 07295 02 OF 03 281326Z

13. QUESTION 8. WHAT HAS BEEN THE TOTAL U.S. CONTRI-

BUTION TO THE ORDINARY CAPITAL AND THE SPECIAL FUNDS
OF THE BANK SINCE ITS INCEPTION?

(A) WHAT DOES THE U.S. CONTRIBUTION WORK OUT AS A
PERCENTAGE OF TOTAL CONTRIBUTIONS RECEIVED FOR ORDINARY
CAPITAL AND THE SPECIAL FUND OF THE ADB, AND HOW DO
THESE PERCENTAGES COMPARE TO JAPAN?

ANSWER: SINCE ITS INCEPTION, THE U.S. HAS CONTRIBUTED
\$144.7 MILLION OF PAID-IN CAPITAL AND \$217.1 MILLION OF
CALLABLE CAPITAL TO THE BANK'S ORDINARY CAPITAL RESOURCES.
WITH RESPECT TO SPECIAL FUNDS, THE U.S. HAS CONTRIBUTED
\$100 MILLION ON A TIED BASIS.

14. THE U.S. CONTRIBUTIONS TO THE BANK'S ORDINARY
CAPITAL RESOURCES REPRESENT APPROXIMATELY 10 PERCENT
OF ALL SUCH CONTRIBUTIONS. JAPAN, IN TURN, HAS
CONTRIBUTED APPROXIMATELY 16 PERCENT TO THE BANK'S
ORDINARY CAPITAL. REGARDING SPECIAL FUNDS, THE U.S.
\$100 MILLION CONTRIBUTION REPRESENTS SLIGHTLY MORE
THAN 19 PERCENT OF ALL SUCH CONTRIBUTIONS WHILE JAPAN
HAS PROVIDED 45 PERCENT OF THESE CONTRIBUTIONS.

15. QUESTION 9. COULD YOU TELL THE COMMITTEE WHAT
PERCENT OF ALL GOODS AND SERVICES PURCHASED OR
CONTRACTED FROM THE UNITED STATES?

(A) COULD YOU TELL THE COMMITTEE WHAT THE COMPARABLE
PERCENTAGE FIGURE WOULD BE FOR JAPAN?

ANSWER: SINCE ITS INCEPTION, U.S. FIRMS HAVE WON
SLIGHTLY MORE THAN 12 PERCENT OF ALL ADB CONTRACT AWARDS
WHILE JAPAN'S SHARE IS APPROXIMATELY 43 PERCENT. HOWEVER,
IT IS IMPORTANT TO NOTE THAT THE U.S. SHARE HAS
INCREASED FROM LESS THAN 8 PERCENT OVER THE PAST TWO
YEARS WHILE JAPAN'S SHARE HAS FALLEN DRASTICALLY FROM
SLIGHTLY LESS THAN 60 PERCENT.

16. QUESTION 10. WHAT IMPACT HAS THE U.S. CONTRIBUTION
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PAGE 04 MANILA 07295 02 OF 03 281326Z

TO ADB HAD ON OUR BALANCE OF PAYMENTS DURING THE LAST
YEAR AND SINCE ITS INCEPTION?

ANSWER: U.S. CONTRIBUTIONS TO THE ASIAN DEVELOPMENT
BANK HAVE HAD A POSITIVE IMPACT ON OUR BALANCE OF
PAYMENTS IN BOTH 1974 AS WELL AS SINCE THE BANK'S
INCEPTION. IN 1974 ALONE THE ESTIMATED POSITIVE IMPACT
ON THE U.S. BALANCE OF PAYMENTS WAS \$86 MILLION. SINCE
THE BANK'S INCEPTION THE NET POSITIVE IMPACT IS

APPROXIMATELY \$160 MILLION.

17. QUESTION 11. HOW MANY EMPLOYEES DOES THE ADB HAVE ON BOARD AND WHAT PERCENTAGE OF THESE EMPLOYEES ARE U.S. CITIZENS?

ANSWER: AS OF MAY 31, 1975 THERE WERE 25 NATIONALS ON THE BANK'S PROFESSIONAL STAFF OF 241, COMPARED TO 29 NATIONALS FROM JAPAN. CONSEQUENTLY THE PERCENTAGE OF U.S. NATIONALS ON THE BANK'S PROFESSIONAL STAFF IS SLIGHTLY MORE THAN 10 PERCENT.

UNCLASSIFIED

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PAGE 01 MANILA 07295 03 OF 03 281346Z

53

ACTION TRSE-00

INFO OCT-01 EA-10 ISO-00 NEA-10 IO-10 SP-02 AID-05 EB-07

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UNCLAS SECTION 3 OF 3 MANILA 7295/3

18. QUESTION 12. COULD YOU PLEASE TELPQTHE COMMITTEE WHAT THE TOTAL ADMINISTRATIVE EXPENSES AMOUNTED TO IN 1974, AND WHAT THESE SAME EXPENSES WERE IN 1973?

ANSWER: IN 1974 THE BANK'S TOTAL ADMINISTRATIVE EXPENSES WERE \$13.5 MILLION, WHILE ITS 1973 ADMINISTRATIVE EXPENSES WERE \$11.4 MILLION.

19. QUESTION 13. WHAT ARE THE TERMS OF LOANS PROVIDED FROM SPECIAL FUNDS, AND WHAT ARE THE TERMS OF LOANS PROVIDED FROM THE CALLABLE CAPITAL AND THE INTEREST RATES CHARGED?

ANSWER: LOANS ARE PROVIDED FROM THE BANK'S CONCESSIONAL

LENDING WINDOW FOR A 40-YEAR REPAYMENT PERIOD WHICH INCLUDES A 10-YEAR GRACE PERIOD AND A 1 PERCENT SERVICE CHARGE. FOR LOANS FROM THE BANK'S ORDINARY CAPITAL RESOURCES, THE LENDING RATE IS 8-3/4 PERCENT WHILE THE AVERAGE REPAYMENT IS 19 YEARS INCLUDING AN AVERAGE GRACE PERIOD OF 4 YEARS.

20. QUESTION 14. DO YOU PRESENTLY HAVE ANY UNOBLIGATED BALANCES IN THE CAPITAL FUNDS AND THE CALLABLE CAPITAL ACCOUNTS?

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANILA 07295 03 OF 03 281346Z

ANSWER: WITH RESPECT TO THE BANK'S SPECIAL FUNDS RESOURCES, IT CURRENTLY HAS AN UNOBLIGATED BALANCE OF APPROXIMATELY \$88 MILLION. REGARDING ITS ORDINARY CAPITAL RESOURCES, THE BANK HAS UNUSED BORROWING AUTHORITY OF ROUGHLY \$650 MILLION WHICH MEANS THAT IT CAN FINANCE PROJECTS IN THAT AMOUNT IN 1975 AND PART OF 1976.

21. QUESTION 15. WHAT IS THE PRESENT VOTING STRENGTH OF THE U.S. IN THE ADB?

ANSWER: THE US VOTING SHARE IN THE ADB IS CURRENTLY 9.7 PERCENT COMPARED TO JAPAN'S 15.9 PERCENT.

22. QUESTION 16. PLEASE PROVIDE A TABLE SHOWING WHAT EACH COUNTRY HAS CONTRIBUTED TO THE BANK, TO ALL THE WINDOWS, AND THE PERCENTAGE EACH CONTRIBUTION REPRESENTS OF THE TOTAL.

ANSWER: PROVIDE ANSWERS FROM APPENDIX 1-VII, PAGE 57, AND APPENDIX 1-E, PAGE 71, AND APPENDIX 1-5, PAGE 89, BANK'S 1974 ANNUAL REPORT.

23. QUESTION 17. HAVE YOU COMMITTED ALL YOUR CAPITAL AT THE PRESENT TIME?

ANSWER: AS INDICATED ABOVE, THE BANK HAS UNCOMMITTED SPECIAL FUNDS BALANCES OF ROUGHLY \$88 MILLION AND OUTSTANDING LENDING AUTHORITY FROM ITS ORDINARY CAPITAL RESOURCES AMOUNTING TO APPROXIMATELY \$650 MILLION.

24. QUESTION 18. ARE YOU ALLOWED TO BORROW UP TO THE TOTAL AMOUNT OF CALLABLE CAPITAL SUBSCRIBED TO, OR ARE YOU RESTRICTED TO AN AMOUNT OF A PARTICULAR COUNTRY CONTRIBUTION?

ANSWER: AS A GENERAL RULE, THE BANK WILL BORROW UP TO

75 PERCENT OF THE TOTAL SUBSCRIBED CALLABLE CAPITAL FROM ITS 17 DONNOR MEMBER COUNTRIES. IN GENERAL, THERE IS NO PARTICULAR BORROWING LIMITATION WITH RESPECT TO THE INDIVIDUAL AMOUNT PROVIDED BY ANY ONE COUNTRY.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANILA 07295 03 OF 03 281346Z

HOWEVER, US INVESTORS HAVE SHOWN GREAT RELUCTANCE TO LEND THE BANK MORE THAN THE APPROPRIATED CALLABLE CAPITAL PROVIDED BY THE U.S.

25. QUESTION 19. ARE THE US CITIZENS EMPLOYED BY THE BANK EXEMPT FROM PAYING US TAXES?

(A) IF NOT, DO THEY RECEIVE ANY SORT OF RELIEF FROM US TAX LAWS?

ANSWER: US CITIZENS EMPLOYED BY THE BANK ARE SUBJECT TO THE SAME US TAX PROVISIONS AFFECTING ANY US NATIONAL EARNING INCOME OUTSIDE THE US. THEREFORE IF US NATIONALS EMPLOYED BY THE ADB RESIDE ABROAD 17 OUT OF 18 CONSECUTIVE MONTHS, THEY ARE ELIGIBLE FOR TAX EXEMPTIONS FOR THE FIRST \$20,000 OF INCOME, A PROVISION WHICH APPLIES TO ALL US NATIONALS RESIDING OUTSIDE THE US AND MEETING THE SPECIFIED REQUIREMENT MENTIONED ABOVE.

26. QUESTION 20. WHAT TYPE OF LOANS ARE MADE TO THE STAFF BY THE BANK?

(A) WOULD THE COMMITTEE BE ENTITLED TO THE SPECIFICS OF THESE LOANS NOW IF IT SHOULD DESIRE SUCH A DETAIL?

ANSWER: THE BANK HAS IN EXISTENCE A STAFF LOAN PROGRAM FOR THE PURPOSE OF HELPING NEW STAFF MEMBERS LOCATE IN MANILA AS WELL AS TO MEET ANY EMERGENCY NEEDS WHICH MAY ARISE. ANY BANK EMPLOYEE IS ELIGIBLE TO BORROW UP TO 3 MONTHS SALARY TO BE REPAID OVER 18 MONTHS AT 5 PERCENT INTEREST WITH PRINCIPAL AND INTEREST DEDUCTED AUTOMATICALLY FROM THE EMPLOYEE'S SALARY.

27. IN THE PAST WE HAVE PROVIDED THE COMMITTEE WITH INFORMATION ABOUT THE STAFF LOAN PROGRAM INCLUDING TOTAL AMOUNTS, BREAKOUTS BY PROFESSIONAL AND NONPROFESSIONAL STAFF, AND INDIVIDUAL AMOUNTS FOR US EMPLOYEES. WE WOULD BE HAPPY TO PROVIDE THIS INFORMATION ONCE AGAIN IF THE COMMITTEE WISHES.

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PAGE 04 MANILA 07295 03 OF 03 281346Z

28. QUESTION 21. UNDER THE ORDINARY CAPITAL RESOURCES ACCOUNT, HOW MUCH IS YOUR PRESENT FUNDED DEBT OUTSTANDING AND HOW MUCH OF THIS OUTSTANDING DEBT HAS BEEN FINANCED IN THE UNITED STATES?

ANSWER: AS OF APRIL 30, 1975 THE ASIAN DEVELOPMENT BANK HAS BORROWED \$521 MILLION IN VARIOUS PRIVATE CAPITAL MARKETS. OF THAT AMOUNT THE BANK HAD RAISED \$125 MILLION IN THE US PRIVATE CAPITAL MARKET.

29. QUESTION 22. DO YOU PRESENTLY HAVE ANY REPLENISHMENT DISCUSSIONS GOING FORWARD?

ANSWER: THE BANK HAS INITIATED REPLENISHMENT DISCUSSIONS WITH RESPECT TO CONCESSIONAL LENDING OPERATIONS. AT THE BANK'S ANNUAL MEETING IN MANILA IN APRIL 1975 THE BANK INVITED ITS DONOR MEMBER COUNTRIES TO BEGIN VERY PRELIMINARY DISCUSSIONS ON THIS SUBJECT. IT HAS SCHEDULED A SECOND MEETING THIS SUMMER TO CONTINUE ITS CONSULTATIONS. REPLENISHMENT OF THE BANK'S CONCESSIONAL LENDING IS CRUCIAL SINCE IT WILL COMPLETELY EXHAUST ALL CONCESSIONAL LENDING RESOURCES BY THE END OF 1975.

30. QUESTION 23. PUT IN THE RECORD THAT COMMODITIES PURCHASED FROM THE US OUT OF ADB AND WHAT PART OF THE TOTAL GOES FOR PERSONNEL (SERVICES)?

ANSWER: US FIRMS HAVE WON A TOTAL OF \$67.7 MILLION OF CONTRACTS FOR ADB-FINANCED PROJECTS. OF THAT AMOUNT \$10.1 MILLION REPRESENTS SERVICES WITH THE REMAINING \$57.6 MILLION GOING FOR EQUIPMENT SUPPLY.
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